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WATER POLLUTION CONTROL

March 6, 1990

Don A Ostler  
Executive Secretary  
Utah Water Pollution Control Committee  
288 North 1460 West  
P.O. Box 16690  
Salt Lake City, Utah 84116-0690

Dear Mr. Ostler,

I am writing in response to a letter dated February 16, 1990 recieved from your office, regarding the inactive heap leach operation on my property at Silver Reef.

Please find enclosed a completed Nature of Ground Water Discharge Notification form as was requested by Mack Croft of your department.

I would like to respond to several statements found in the body of the above mentioned letter.

Item number 3 states that The Division of Oil Gas and Mining has not permitted the facility. At the time that the leach pad was being constructed, it was the opinion of Mr. Pierce, his attorney, and a representative from the Department of Oil Gas and Mining that no permit was required for such an operation under current regulations.

Item number 7 states that the liner beneath the pad is in a deteriorated condition, and that the liner in the process pond had deteriorated and blown away. I was somewhat surprised that this conclusion would be reached after an on site inspection by Mr. Croft. The 30 mil pvc liner under the pad will last indefinitely without deteriorating. The fringing areas of the pad liner are beginning to weather but the tailings are not in contact with this portion of the liner.

In addition there is a lining of six inches of compacted bentonite clay beneath the pvc liner, as indicated in the application approved by your department and inspected by your personnel at the time of construction. There are many heap leaching operations using only a clay liner with no plastic.

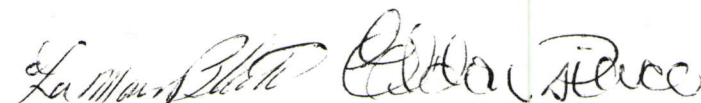
The letter stated that the heap leach was operated without all of the proper permits. As I have mentioned, I believe that all the permits necessary at the time were in place before operation commenced.

It was additionally stated that the facility will require an immediate and complete upgrading of liners and leak detection system. My contention is that the present pad is sound, it was constructed with the blessing of your department and it is still an environmentally safe facility.

I feel that the site is in a safe condition now. I feel that the recent inspection by Mr. Croft revealed no threat to ground and surface waters. I live in the area and own all the land around the site in question. I hope to build a home there in the future and am the last one who wants a contamination problem. If it is shown that there is a problem with the facilities I will be anxious to correct that problem or neutralize the tailings. At the present time I truly feel that there is no danger of contamination and the pad as it sits is a valuable asset economically to me.

If you have further questions, or need more information please contact me.

Sincerely,

  
Lamar Bluth

777 south 400 East #22  
St. George, Utah 84770